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Maine Yankee in Miami

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Recommended Citation

H&S Reports, Vol. 11, (1974 autumn), p. 24-26

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Maine Yankee

It was an interest in statistics that led Lawrence M. Walsh to accounting when he entered the University of Notre Dame in 1937. It was an instinctive grasp of the importance of human relationships that influenced his career within Haskins & Sells and led to his present post as partner in charge of the Miami office.

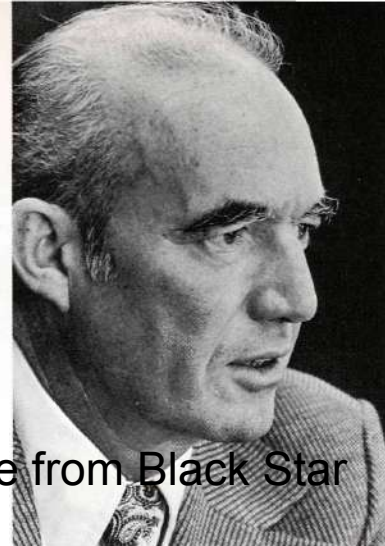
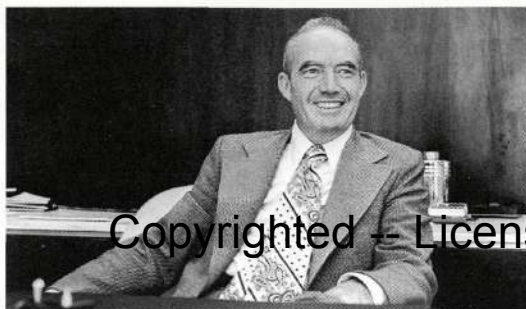
Born in Portland, Maine ("My father was a railroad man who observed the work ethic"), Larry Walsh is a man of strong opinions on a broad range of topics, opinions based solidly on professional expertise and a recognition that the most effective accountant is one who can work as well with people as with numbers.

In the late 1930s the number of colleges and universities offering majors in accounting was limited, and H&S recruiting efforts focused on the few schools that graduated accountants with a high level of training. One of the best of these was Notre Dame which, in just the four years during which Larry Walsh attended, was alma mater to EO partners Tom Hogan and Phil Sandmaier, San Francisco PIC Tom Graves, and Detroit PIC Lou MacKenzie. In fact Lou, Larry, and now-deceased partners Fred Voglewede (Mexico City) and Bill Sturm (Memphis) were all members of the class of 1941 at Notre Dame.

Offered a position with H&S in his senior year, Larry accepted and in July of 1941 came east for a year's training period, split between classroom work and assignments in the New York office report department. With his New England background, he had set his sights on a transfer to Boston at the end of the year.

Like millions of other Americans, Larry found his plans changed and future affected by the outbreak of the Second World War. Because the military services were calling up large numbers of draftees, H&S offices across the country found themselves shorthanded. Four months after Larry started with the Firm, Cincinnati issued an emergency call for a staff accountant. Lured by the office's outstanding reputation as a training ground for new accountants, Larry volunteered and was accepted for the position.

"We really had to produce in those days," he recalls. "There was too much work and too few people." After only a year with the Firm, Larry found himself the accountant



in charge on several engagements. "In charge in those days meant just that," he said. "After I finished field work on an engagement, I often came back to the office and typed the reports." The war finally caught up with him three years after his arrival in Cincinnati. Drafted into the Army, Sergeant Walsh spent the next two years training infantry recruits.

During his years in Cincinnati (he rejoined that office after discharge), Larry found many of his ideas on the role of the CPA as a man as well as an accountant coming into sharp focus under the influence of several of the partners and managers. "I was fortunate to have had a 'teacher-student' relationship in the fullest sense with such men as Charlie Swormstedt, Rudy Englert and Elmer Beamer...but to single out just a few would be unfair...it was really a fine office!"

It was in 1954 that Larry Walsh, then a manager, was asked by partner John Queenan to prepare and deliver a talk on personnel matters at a managers meeting. That talk proved a turning point in Larry's career. Shortly thereafter Mr. Queenan asked Larry to transfer to Executive Office as national personnel director, a position he accepted. In June of 1955, Larry Walsh was admitted to partnership in the Firm and became the first partner to carry the title of National Personnel Director.

Charged with developing and implementing an effective personnel program for the Firm, Larry was not overly burdened by any personnel structure he inherited—it was mostly a case of starting from scratch. During the next five years, with his responsibilities including recruiting, training, salary and personnel policies, Larry began implementing broad programs which formed the base of the personnel practices and policies employed today by the Firm.

"In establishing priorities," Larry remembers, "our first objective was to enhance both the number and quality of our staff." Grade standing was a prime consideration to H&S recruiters. "We wanted the best, and grade standing was the most objective criterion for selecting those we thought had the mental capacity to succeed in the profession."

Larry recognized, however, that it was just as important to attempt to gauge how well a student would be able to work with clients and his fellows at H&S. "We looked for accountants whose background revealed an understanding of the service concept, who were articulate, who could relate well to other people." Most of the criteria originally developed by Larry Walsh and those who worked with him eventually became formalized into the same points used today to evaluate those being considered for promotion to manager or for admission to the Firm as partner. His early efforts were directed toward generating more enthusiasm within the Firm for recruiting, highlighting its importance so it would be considered a key function at every practice office.

He also began developing a program that would systematically determine the techniques most effective for college recruiting, including college relations, student contact and methods for presenting the image of the professional CPA most effectively to the colleges. It was in this period that Larry coordinated preparation of the first recruiting brochure used by the Firm. "Our recruiting brochure was the second produced by any of the Big Eight firms and was an important factor in strengthening our whole recruiting program," he said. To supplement the recruiting brochure used on campus, a recruiting manual was prepared for use within the Firm covering such topics as interview techniques, how to present effectively the opportunities available

in Miami

within the Firm, how to approach potential candidates and effective correspondence techniques.

Larry and his group also gave frequent talks at meetings for managers and partners on the importance of recruiting. "One of the points we stressed was the importance of listening to the students as well as talking to them. We often learned as much from them—such as what they considered important in a prospective employer—as they learned from us," he said.

After five years at Executive Office Larry transferred to Philadelphia as audit partner, becoming partner in charge in 1969. He held the latter post until June of 1973, when he assumed his present position in Miami.

As one might expect, Larry Walsh's interest in people and human relationships is reflected in his outside activities and colors his thinking. He has written for professional journals on such subjects as accounting education and staff development and contributed a chapter on "Developing the Staff With an Eye to Growth" for the 1962 edition of *The Accountant's Encyclopedia* published by Prentice-Hall. His committee memberships with professional organizations such as the American Institute of CPAs, American Accounting Association, Pennsylvania Institute of CPAs and New York State Society of CPAs also concentrate on such areas as professional development, university relations, personnel, and education.

Looking back over the years, Larry paid tribute to the new generation of accountants. "Public accounting has always demanded high standards, but I

think it's fair to say that today's young accountant has a better formal education than his counterpart of the past. Not only that, but he's a broader person: he achieves better balance between his interest in a career—without lessening his dedication to his profession—and his family, community and personal interests."

Contemporary events are exerting a subtle change on the relationship between the colleges and universities and the larger public accounting firms, according to Miami's PIC. "The traditional techniques of accounting and auditing are changing so rapidly that schools increasingly are centering their teaching on fundamentals. A heavier load is being shifted to the accounting firms, which are having to give their staffs more instruction in advanced techniques geared to the changes taking place."

Does this mean that formal education will become less important to the overall education of the accountant? "Not at all," Larry said, "but I think the schools will devote more time to related disciplines such as quantitative methods, effective communications and management techniques." These latter areas, he points out, are as important to today's career CPA as is a solid technical background. They also are areas the schools are well equipped to teach.

Outside agencies and forces—the SEC and FASB are probably the most obvious examples—are exerting strong pressures for change within the accounting profession, changes that will necessitate a review of traditional postures by the public accounting firms, he believes. "What I would call the qualitative aspects of communication are becoming more vital now," Larry said. "I am thinking, for example, of the nature, adequacy, and

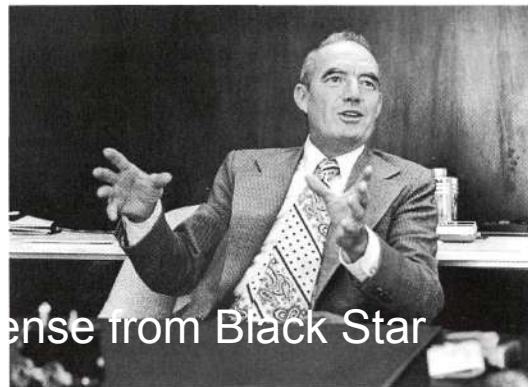
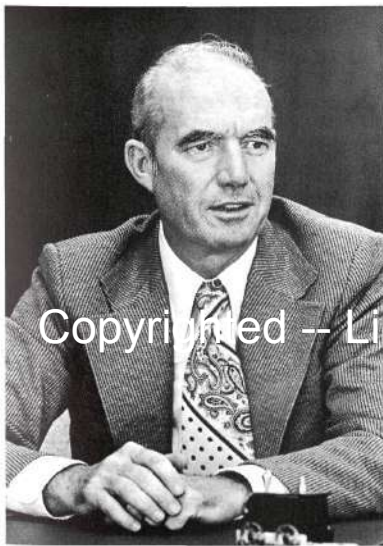
timeliness of disclosure, and even of the media for disclosure. There's a strong parallel today between the accounting and legal professions. In law you have the case law concept, or interpretation of statutory law by a judge as applied to a specific case which then becomes a precedent." This same process, he observed, is being followed by the SEC. "Many of the recent findings of the SEC have had the same effect—to extend the responsibility of the accountant and, in effect, alter the accountant's relationship with his client."

The accountant, he points out, is also becoming more involved in various aspects of his client's business, in essence broadening the CPA's role. "All you have to do is listen in on current discussions in such areas as interim reporting, forecasting and greater auditing responsibility to see what the future is likely to hold.

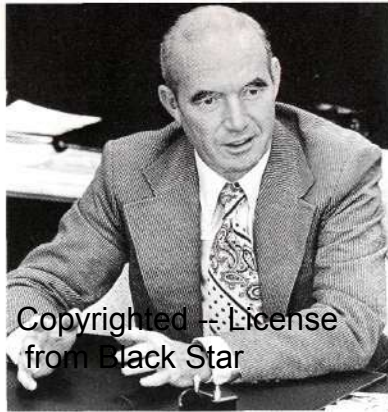
"We, the accounting profession, should welcome any opportunity to serve in broader, more significant ways—if it is within our competence—especially if we are best able to do the job," he says. "We may not always do a perfect job in the beginning, but we'll improve. The profession accepted calculated risks long ago when it adopted the principle of giving opinions based on testing rather than detailed audits. There were no standards then, but these were established by the profession in time. I think our Firm is in a position to help establish the workable standards that will be necessary to carry out new roles in the future, and I'd like to see us play a leadership role in this area."

Will the accounting profession, under the pressure of these outside forces, find it necessary to specialize, much as medicine and law already have? "This is a more debatable point," Larry believes. "We already have a high degree of specialization in one respect—tax, MAS and SEC practice are good examples.

"I think the real trend will be toward teams of individuals with audit, tax and MAS backgrounds, yet people recognized on a national level as having expertise within a specific industry. Banking, transportation, communications—you name it. Henry Forer, tax partner here in Miami, is an outstanding example. Henry is nationally recognized as an expert on savings and



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loan institutions, and this is a strong factor not only in many of the engagements we take, but in our Firm's reputation in the S&L industry.

"The industry expert will have to narrow his focus to the industry of his choice, but his background within that industry will have to be broader," Larry noted. "He must be more than an accountant and auditor; he'll have to be a person who is flexible enough to counsel his clients on a wide variety of business problems such as finance, organization and administration. For that matter, I think it's vital that all of us broaden our background and experience so that we are conversant with many of the day-by-day problems of running a business."

Where will these industry experts come from? "We might all agree on the ideal," Larry said, "but the best means of achieving it are still open to debate. The one thing that does seem certain is that you can't really 'draft' someone to be an industry expert. This is something that must come from within the individual, an intense interest in a particular industry which he follows up on his own. Basically it is a self-education process."

"One of the ways to move in this direction—and of course there are other ways, too—would be to budget a certain amount of time for selected persons to spend immersing themselves in the whole fabric of a particular industry."

Larry Walsh also is convinced that H&S can become even stronger in a wide variety of industries if it makes the effort. "We're already the recognized leader in a number of fields. To increase the number we must establish objectives and then budget the necessary finances and manpower."

Larry Walsh's interest in practice development goes back many years, and he has been a frequent speaker on this subject at Firm meetings. "I believe the prime rule in practice development is to do the best job possible for your present clients. After that they will 'carry the word' for you. That is the way you build a reputation—and without a good reputation all your other efforts are wasted."

"I always have emphasized the importance of making an effective proposal," Larry says, while confessing with some pride to having authored a major part of the Firm's new manual for preparing proposal letters. "No two are exactly alike; each proposal must be tailored to a specific prospect. This requires thoughtfulness and keen imagination. My contention is that making proposals to prospective clients is one of the most exciting areas of our practice."

"I'm also convinced," he continued, "of the importance of having some of our people involved in significant community activities—a great way to spread the word about the quality of our people. On the other hand, I stress that they should become involved only in activities in which they have a real interest. Otherwise they won't do a creditable job, and that, too, will reflect on the Firm."

How does he see the role of the partner in charge? "I suppose there are differences—people are different. However, I think it's really the PIC in combination with the other partners who set the tone of an office. In the long run, effective management is more a matter of style than of fixed rules, and style will vary with the individual. What I try to do is set goals, give encouragement in meeting these goals and then let people develop their own ways of meeting them. Sure, I'll step in if I think it's necessary, but I don't want to interfere arbitrarily. I think I can accept the fact that another person's way of doing something may be just as good as mine, even if it is different from the way I might have chosen. I think it's vital to encourage initiative—as long as guidance is available if needed."

Although administrative matters now claim a major portion of his time as a partner in charge and a member of the Firm's Policy Committee, Larry confesses his greater interest in the technical side of the profession. "Serving clients and helping to solve technical problems has always held great interest for me, and I thoroughly enjoyed my recent term on the Firm's Accounting and Auditing Procedures Committee."

How does a Maine Yankee feel about Miami after one year? "I love it," he says, gazing out at the south end of Biscayne Bay from his office on the twentieth floor of the new First Federal Building, built by H&S client First Federal Savings and Loan Association of Miami. He misses the youth baseball and football activities he was involved with while in Pennsylvania ("One of the Little League baseball teams I managed won three straight league championships"), but now both daughters are married and his son is completing high school in Philadelphia.

"Mike will probably be coming to Miami to go to college, although I think he's really thinking more about the wall-to-wall, all-year golf available here," Larry said. "I don't play as often or as well as I'd like," he contends, although he is a member of two local golf clubs.

Since moving to Miami last year, Larry has become a member of the Board of Trustees of Third Century U.S.A., organizers of the official Dade County Bicentennial Celebration; the Committee of One Hundred, a group comprised half of Miamians and half winter residents who meet once a week during the winter for dinner to make northern professionals and businessmen feel at home; and the Citizen's Board of the University of Miami. Nor has he lost his taste for team sports. He still holds season tickets for both professional football and hockey in Philadelphia, as well as for the Dolphins and U. of M. Hurricanes in Miami.

"Miami is a really great place to live and work," Larry says. "What I like best about Miami are the people and the pace of life. The great weather is just frosting on the cake. The people are pleasant and easy to meet. They work hard but at a more even pace."

"What's also important—and impressive—to me is their high degree of interest and participation in community betterment activities. You can always get good people in Miami when a job needs to be done." Larry Walsh's own assignment in Miami may well be the best proof of that last point. □